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Order Instituting Rulemaking Into

Implementation of Federal Communications

Commission Report and Order 04-87, As It Affects The Universal Lifeline Telephone Service 8 Program.

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ON

COMMENTS OF SUREWEST TELEPHONE (U 1015 C)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ASSIGNED COMMISSIONER'S RULING TEMPORARILY SUSPENDING PORTIONS OF GENERAL ORDER 153 RELATING TO THE ANNUAL ULTS/CALIFORNIA LIFELINE VERIFICATION PROCESS

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R. 04-12-001

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November 6, 2006

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In accordance with Ordering Paragraph 5 of Commissioner Grueneich's November 1, 2006 Assigned Commissioner's Ruling ("ACR"), SureWest Telephone (U 1015 C) offers these brief comments on the ACR's suspension of the current income verification process for the California Lifeline program ("Lifeline"). Based on concerns regarding the low customer response rate to Lifeline verification notices, and based on the numerous complaints that the Commission's Consumer Affairs Branch ("CAB") has been receiving regarding the verification process, the ACR suspends the current annual verification procedure for six months, and initiates a workshop to "discuss solutions to the current problem with the verification form response rate." (ACR, at p. 6). That workshop is currently scheduled for November 13-14, 2006.

SureWest supports the Commission's efforts to address the problems that have arisen in implementing the new Lifeline verification mechanism. However, the problems with the new Lifeline program are not limited to the format of the verification notice envelope, and the inflexibility of the verification timeframe. Since Solix assumed responsibility for the certification and verification process, SureWest has experienced a number of database, data transfer, and customer classification/identification issues. These issues relate both to the verification process and to the certification process. These difficulties have caused SureWest to incur significant additional Lifeline-related administrative expenses. The new system has also generated confusion and uncertainty for many of SureWest's Lifeline customers.

To ensure that the full range of implementation issues raised by the new Lifeline program are addressed, the upcoming workshop should not be limited to the narrow verification-related concerns identified in the ACR. The ACR should direct staff to conduct a broad examination of the implementation problems that carriers and customers have experienced under the new procedures. For the benefit of customers, carriers, and the ongoing viability and funding of the

Lifeline program, it is important that the Commission take this opportunity to address all of the relevant problems, and fashion appropriate solutions.

SureWest appreciates the Commission's recognition that the program is not operating as smoothly as it could, and the Commission's swift action to address the situation. SureWest looks forward to participating in the November 13th and 14th workshops, and will be in communication with staff about additional issues for inclusion in the workshop agenda.

Respectfully submitted,

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